

Service Date: July 14, 1981

FINAL ORDER NO. 4828

DEPARTMENT OF PUBLIC SERVICE REGULATION
MONTANA PUBLIC SERVICE COMMISSION

In the Matter of the Application of)	UTILITY DIVISION
the Town of St. Ignatius to Increase)	
Water Rates, to Define its Water)	DOCKET NO. 81.3.51
Service Area, and to Modify Rules)	
and Regulations.)	ORDER NO. 4828

* * * * *

APPEARANCES

FOR THE APPLICANT:

James Manley, Town Attorney, P.O. Box 2275, Polson, Montana 59860

FOR THE PROTESTANTS:

None

FOR THE COMMISSION:

Robert F. W. Smith, Staff Attorney, 1227 11th Avenue, Helena Montana 59620

BEFORE:

Howard L. Ellis Commissioner & Hearing Examiner

The Examiner, having taken evidence and being fully advised in the premises, makes the following findings, conclusions and order:

FINDINGS OF FACT

1. On March 9, 1981, the Montana Public Service Commission received the application of the Town of St Ignatius (Applicant or Town). The Town requested approval of 1) new water rates resulting in an annual revenue increase of \$25,500, 2) the limits of the Town ' s water service area, and 3) certain modifications to the rules and regulations of the water utility.

2. A public hearing was scheduled June 25, 1981 in St. Ignatius. At the hearing, six witnesses testified in favor of the application.

Roy Martin - City Councilman,
Jim Jenson Jr. - Former Water Commissioner,
Dave Carrier - Local Hospital Administrator,
Ken Hurt - Pharmacist & City Councilman,
Lee Ann Gottfried - Town Clerk, and
Tim Berry - Sanitary Engineer.

No protestants appeared.

3. Mr. Martin testified generally that the rate increase and the system improvements were badly needed. He cited an experience of his own where a fish had plugged the water line.

4. Mr. Jenson gave a general description of the system, describing in some detail the problems to which the system is prone.

5. Mr. Carrier described the particular problems of the hospital, noting that the hospital ' s need for pure water and the system's sediment problems made filters a necessity, and that a pure source of water such as proposed would be quite cost-effective for the hospital.

6. Mr. Hurt recounted the Town's history of problems with the State Department of Health because of an impure water supply. A pure water source would mean less expense for the Town in chlorination as well as less expense in avoiding health regulations.

7. Ms. Gottfried discussed the present and proposed rates, which go from \$3.00 and \$3.50 per month for residential and commercial customers, respectively, to \$9.85 per month for residential and base-commercials, with a further increment for specific commercial uses. 80 percent of the additional revenues generated will go for capital improvements and 20 percent for increased operation and maintenance expense.

8. Mr. Berry discussed in detail the particular capital improvements to be done as well as the financing of these improvements. He had submitted previous to the hearing a list of system improvements, including:

Construction of an elevated storage tank,
Construction of supply piping to and from the tank, and
Extensive improvements to the Distribution System.

The Town also proposes to abandon one current source of water, the Mission Reservoir. The Town will now rely on its well to supply all water. With the new storage tank, Mr. Berry saw no supply problems, either in purity or volume.

The Town financed the new storage tank with an HUD block grant. The balance of the improvements will be financed by a grant/loan package from the Farm Home Administration.

9. At the close of the hearing, the Town stipulated that Hearing Examiner Ellis might issue a Final Order in this matter.

CONCLUSIONS OF LAW

1. The Montana Public Service Commission properly exercises jurisdiction over the parties and subject matter in this Docket (MCA 69-3-101, 69-3-302).
2. The Commission afforded all interested persons proper notice of these proceedings (MCA 2-4-601).
3. A Final Order may properly issue in this Docket (MCA 2-4-622).
4. The rates approved herein are reasonable and just (MCA 69-3-201).

ORDER

NOW THEREFORE, at a session of the Public Service Commission, Department of Public Service Regulation of the State of Montana, held in its offices at 1227 11th Avenue, Helena, Montana, on the 13th day of July, 1981, there being present a quorum of commissioners, there came regularly before the Commission for final action the matters and things in Docket No. 81.3.51, and the Commission being fully advised in the premises;

IT IS ORDERED by the Commission that the application of the Town of St. Ignatius to increase water rates IS HEREBY APPROVED.

IT IS FURTHER ORDERED that these rates shall be effective for services rendered on and after July 13, 1981. As a result of this date and the Town's billing cycle, the Town will be allowed to charge the new water rates for the full month of July, but it shall not charge for sprinkling during July and August.

IT IS FURTHER ORDERED that the Town shall inform the Commission of the date of the sale of bonds as soon as that date is arranged with the Farm Home Administration. If the sale of bonds is significantly delayed, this Order may be modified accordingly.

IT IS FURTHER ORDERED that a full, true and correct copy of this order be sent forthwith by first class United States mail to all appearances herein.

THE FOREGOING ORDER was adopted by the Department of Public Service Regulation of the State of Montana, Public Service Commission, IN OPEN SESSION at Helena, Montana, this 13th day of July, 1981, by a vote of 5- 0.

BY ORDER OF THE MONTANA PUBLIC SERVICE COMMISSION.

GORDON E. BOLLINGER, Chairman

JOHN B. DRISCOLL, Commissioner

HOWARD L. ELLIS, Commissioner

CLYDE JARVIS, Commissioner

THOMAS J. SCHNEIDER, Commissioner

ATTEST:

Madeline L. Cottrill
Commission Secretary

(SEAL)

NOTE: You may be entitled to judicial review of the final decision in this matter. If no Motion for Reconsideration is filed, judicial review may be obtained by filing a petition for review within thirty (30) days from the service of this order. If a Motion for Reconsideration is filed, a Commission order is final for purpose of appeal upon the entry of a ruling on that motion, or upon the passage of ten (10) days following the filing of that motion. cf. the Montana Administrative Procedure Act, esp. Sec. 2-4-702, MCA; and Commission Rules of Practice and Procedure, esp. 38.2.4806 ARM.